

Affordable Dwelling Unit Advisory Board Meeting Minutes (ADUAB)

Tuesday- March 11, 2014

Shenandoah Room - Shenandoah Building

Members Present: Dawn Billow-Co-Chair; John Mossgrove-Co-Chair; Dwight Stonerook; Angela Plowman; Rich Klusek, Pamela McGraw

DFS Staff Present: Sarah Coyle Etro - Assistant Director; Kelly Marrocco - Program Manager; Lenny Goldberg – ADU Housing Specialist; Brian Reagan – Program Manager

Members Absent: Steve Schulte and James Anders

Public Present: Shaun Kelley; Michael Swenor – Toll Brothers; Tim Westbrook, Bob Knapp and Joey Solis – Richmond American Homes

Call to Order

Co-Chair John Mossgrove called the meeting to order at 8:07 AM

Agenda Review, Additions and Changes

No changes to the agenda.

Public Comment

No public present.

Review of Minutes- A1- 1-3

February 2014 minutes accepted without change.

Action Items

A. Builders Committee

1. ADU Land Development Costs at Moorefield Green for Toll Brothers

Presenter of Item: Lenny Goldberg

Contributor: Michael Swenor from Toll Brothers

Supporting Documentation: Memorandum (A2-1 to A2-2)

Reason item is before ADUAB: Toll Brothers submitted ADU land development costs that exceed the program maximum.

Staff presented the report from the Builder's Committee on February 6, 2014.

Toll Brothers presented information on the homes that will be offered at Moorefield Green. The proposed ADUs are 4 bedroom, 2.5 bath townhomes with 1422 finished square feet and 1,598 finished square feet. Both homes will have a 1 car garage. The estimated HOA fee is expected to be \$90.00 a month. There will be 528 lots in the development with 35 ADUs (28 units will be 18' wide and 7 units will be 20' wide). 3 units will be ready in June 2014 with a total of 7 units during 2014 and 6-7 units per year after 2014. All units include brick front and an 8' by 18' deck are standard. The sales price for 18' unit will be \$178,776 and the 20' will be \$180,137. Market prices are projected to be \$392,000 for 18' units and \$420,000 for 20' units. The first NOA will be for 3 units in early June 2014. Staff recommended a presale agreement for these units. Toll Brothers requires a \$5,000 earnest money deposit with each contract. Staff stated that this is often difficult for an ADU purchaser and asked Toll Brothers if they would consider lowering the deposit amount.

The consensus of the Builder's Committee was that the requested land development costs were reasonable and within industry standard. After much discussion by the ADUAB members about the high development costs, the following motion was made by Dawn Billow to adjust the unit cost per unit to \$170,137 for 20' units and \$168,776 for the 18' units and to reduce the earnest money deposit to \$2,000 or below. The motion was seconded by Dwight Stonerook. The vote was 4-2-2 (with Pamela McGraw and Rich Klusek opposed; Jim Anders and Steve Schultz absent). The motion was approved.

In addition, Dawn Billow moved that the ADUAB approve the requested ADU Specific Section Development Costs of \$24,495.57 per ADU lot, \$18,757.23 per ADU lot in Project Infrastructure & Common Development Costs. The motion was seconded by Dwight Stonerook. The vote was 4-2-2 (with Pamela McGraw and Rich Klusek opposed; Jim Anders and Steve Schultz absent). The motion was approved.

2. ADU Land Development Costs at Woodburn/Timber Ridge at Eastgate Square (Unmet Housing Needs Units - UMHN)

Presenter of Item: Brian Reagan

Contributor: Tim Westbrook and Joey Solis – Richmond American Homes

Supporting Documentation: Memorandum (A3-1 to A3-2)

Reason item is before ADUAB: Richmond American Homes has submitted a request of \$37,543 per lot in Project Infrastructure and Common Development Costs for 2 new homes for Unmet Housing Need Units.

Staff presented the report from the Builder's Committee on February 26, 2014 regarding the proposed land development costs for 2 new UHNU at Timber Ridge at Eastgate Square.

The UHNUs to be constructed are 4 bedrooms, 3.5 bath townhomes with approximately 2,300 square feet, each will have a 2 car garage, stainless steel appliances and granite countertops. Market prices of these units are \$450,000.

After some discussion, Pamela McGraw made the following motion: I move that the ADUAB approve the requested sales price of \$220,402. The motion was seconded by Angela Plowman. The vote was 6-0-2 (with Steve Schulte and Jim Anders absent). The motion was approved.

3. ADU Pricing Standards

Presenter: Dwight Stonerook

Supporting Documentation: Memorandum (A4-1 to A4-5)

Reason item is before ADUAB: The ADUAB Builder's Committee has a recommendation for the ADUAB concerning ADU pricing.

On October 23, 2013 the ADUAB Builder's Committee met to discuss the original draft spreadsheet and the capped square footage. Staff was directed to review the sales prices resulting from uncapping the square footage of various ADU units.

As Chair of the Builder's Committee, Dwight Stonerook presented information on the ADU Pricing Standards and the spreadsheet was distributed to the ADUAB. The committee suggested that the ADUAB hold off on making any pricing decisions at this time due to the following reasons: 1) Stakeholder's group may make a recommendation; 2) Need to look at the requirements of Chapter 1450 of the Loudoun County Codified Ordinance; 3) In almost every case that was reviewed uncapping the square footage lead to much higher sales prices of ADUs.

Direction was given to the Builder's Committee to look into ADU pricing specific to each unit type by the size of unit and the affordability of the unit. A change could require amending the ordinance. ADUAB requested an update of the pricing review at the next ADUAB meeting in April.

B. Guiding Principles & Matrix for Purchasing ADUs

Presenter of Item: Staff

Contributors: ADUAB Members

Supporting documents: Memorandum (A5-1, Matrix)

Reason item is before ADUAB: In January 14, 2014 the ADUAB discussed developing the “Guiding Principles” for the County’s acquisition and resale of ADUs at the risk of being sold at market.

The goal is to preserve new and resale ADU units for ADUs certificate holders. Staff has requested direction on what resale and new units to purchase. In addition, the Department of Family Services (DFS) has been directed by the BOS to purchase as many units as possible. ADUAB has been asked to give direction on what units are worthy of purchasing.

In reviewing the matrix and taking into consideration the comments from the Purchase Committee, John Mossgrrove asked that a comment section be added to identify major flaws in units not being purchased. In addition, other items that might need to be included would be limiting committee members’ overall rating to buy or don’t buy, raise condo fee criteria, change composite score to “0” if total score totals “0”, add bedroom bathroom count criteria , add overall affordability and add section entitled “other” to disclose items such as age restricted.

This will be brought back to the Ad Hoc Finance and Consumer Committee to further develop the matrix and the guiding principles.

Information Items

Membership and Committee List Update

Referencing document A6-2 *Membership List- Updated*
Please reference document provided in packet

Monthly and AMI Breakdown Reports

Referencing document A8-1 to A8-5
Please reference document provided in packet.

Broadlands Section 200 Phase I Lot 4 VanMetre change in Model (Reference document A7-1)

Staff told the ADUAB that Van Metre notified DFS that the model for one of the ADUs was changing from 1,817 square feet to 1,962 square feet with no change in the sales price or the lot.

Habitat for Humanity Update – The Board has approved Habitat for Humanity (HFH) as a non-profit designee to purchase ADU units that may be lost to market. Staff sent a Memorandum of Understanding (MOU) to HFH outlining the process according to Article 7/Chapter 1450, terms discussed with HFH concerning the operation of the program and the process of disseminating the information on available units. Staffs received a call from HFH they were on hold with signing the MOU and were speaking with Board of Supervisor members in reference to substituting HFH covenants for the ADU covenants on the ADU homes purchased by HFH.

Committee Reports

No reports

Meeting Adjourned

11:00 a.m.

Next Meeting

Tuesday, April 8, 2014 at 8:00 A.M